

**AGREEMENT OF ANNEXATION OF
HIDDEN VALLEY ESTATES III, R.L.U.P. 03-S2168**

This Agreement of Annexation Of Hidden Valley Estates III, R.L.U.P. 03-S2168 ("Agreement of Annexation") is made this 20th day of October, 2014, by and between Backbone Valley Road Maintenance Association, a Colorado nonprofit corporation ("BVRMA"), Hidden Valley Homeowners' Association (a/k/a Hidden Valley Estates Homeowners' Association or Hidden Valley Homeowners Association, Inc.), a Colorado nonprofit corporation ("HVE HOA"), La Folie Holdings, LLC, a Colorado limited liability company, and Michael and Cynthia Routh (collectively herein the "Parties").

WITNESSETH

WHEREAS, a certain Declaration of Road Maintenance Covenants and Creation of the Backbone Valley Road Maintenance Association for Hidden Valley Estates R.L.U.P. 01-S1901 and Hidden Valley Estates R.L.U.P. 02-S1948 was recorded on March 18, 2004, Reception No. 2004-0025459, in the office of the Clerk and Recorder of Larimer County, Colorado ("BVRMA Declaration") (R.L.U.P. 01-S1901 and R.L.U.P. 02-S1948 are hereafter collectively referred to as "Hidden Valley Estates"); and

WHEREAS, the First Amendment to Declaration of Road Maintenance Covenants and Creation of the Backbone Valley Road Maintenance Association for Hidden Valley Estates R.L.U.P. 01-S1901 and Hidden Valley Estates R.L.U.P. 02-S1948 was recorded on 8th January 2009, Reception No. 2009-0001229, in the office of the Clerk and Recorder of Larimer County, Colorado ("First BVRMA Amendment") and

WHEREAS, the BVRMA is a Colorado nonprofit corporation created for the purposes, charged with certain duties, and invested with the powers prescribed by law, the Colorado Common Interest Ownership Act, its Articles of Incorporation, Bylaws, and the BVRMA Declaration; and

WHEREAS, the BVRMA was created to maintain, repair and replace both the Common Elements (as defined in the BVRMA Declaration) as well as the other rights of way and roads within Hidden Valley Estates (inclusive of future additions to Hidden Valley Estates) on behalf of the HVE HOA; and

WHEREAS, under the BVRMA Declaration there is an intention that should future additions be made to Hidden Valley Estates wherein use of the roads governed by the BVRMA Declaration is needed, that these additions shall be included or annexed into the Backbone Valley Road Maintenance Association ("BVRMA") so as to equitably share the associated maintenance and replacement costs between each resulting building site; and

WHEREAS, a certain Development Agreement and Residual Land Use Restrictions for Hidden Valley Estates III R.L.U.P. was recorded on June 22, 2005, Reception No. 2005-0050727, in the office of the Clerk and Recorder of Larimer County, Colorado ("HVE III Development

Agreement”) and constitutes a future addition to Hidden Valley Estates as contemplated by the BVRMA Declaration; and

WHEREAS, the HVE HOA is a party to the HVE III Development Agreement and is charged with certain duties as to HVE III as HVE III became part of Hidden Valley Estates by and through the HVE III Development Agreement; and

WHEREAS, on June 22, 2005 the Declaration of Covenants, Conditions and Restrictions for Hidden Valley Estates III R.L.U.P (HVE III Covenants) was filed in the office of the Clerk and Recorder of Larimer County, Colorado; and

WHEREAS, on or about June 19, 2009, Michael and Cynthia Routh purchased Lot 3 within HVE III; and

WHEREAS, on or about April 15, 2014, La Folie Holdings, LLC purchased Lots 1, 2, 4, 5, 6, 7, 8 and 9 of HVE III as well as Common Area Lots A, B, C, D and E; and

WHEREAS, as described below BVRMA is authorized by the owners of properties subject to the BVRMA Declaration to execute this Agreement of Annexation for and on their behalf so as to agree to the annexation of the properties within HVE III for maintenance of not only the Common Elements as described in the BVRMA Declaration but also the other rights of way and roads within HVE III, Hidden Valley Estates R.L.U.P. 01-S1901 and Hidden Valley Estates R.L.U.P. 02-S1948 under the terms and conditions of the BVRMA Declaration and the BVRMA By-laws; and

WHEREAS, the HVE HOA as a party to the HVE III Development Agreement believes it is in the best interests of the Parties to enter into this Agreement of Annexation and is authorized to execute this Agreement for Annexation for an on the behalf of the HVE HOA to agree to the annexation of the Lots within HVE III for maintenance of not only the Common Elements as described in the BVRMA Declaration but also the other rights of way and roads within HVE III, Hidden Valley Estates R.L.U.P. 01-S1901 and Hidden Valley Estates R.L.U.P. 02-S1948; and

WHEREAS, Cody L. Balzer as member and manager of La Folie Holdings, LLC believes it is in the best interests of the Parties to enter into this Agreement of Annexation and is authorized to execute this Agreement of Annexation on behalf of those lots owned by La Folie Holdings, LLC, so as to agree to maintenance of not only the Common Elements as described in the BVRMA Declaration but also the other rights of way and roads within HVE III, Hidden Valley Estates R.L.U.P. 01-S1901 and Hidden Valley Estates R.L.U.P. 02-S1948; and

WHEREAS, Michael and Cynthia Routh believe it is in the best interests of the Parties to enter into this Agreement of Annexation and are authorized to execute this Agreement of Annexation on behalf of Lot 3 within HVE III so as to agree to maintenance of not only the Common Elements as described in the BVRMA as described in the BVRMA Declaration but also the other rights of way and roads within HVE III, Hidden Valley Estates R.L.U.P. 01-S1901 and Hidden Valley Estates R.L.U.P. 02-S1948; and

NOW THEREFORE, pursuant to the provisions of the BVRMA Declaration and the HVE III Development Agreement, and the HVE III Covenants, the Parties hereby agree to the following conditions, stipulations, requirements, terms and provisions:

1. In the event of any conflict between the BVRMA Declaration and this Agreement of Annexation, the BVRMA Declaration shall control.

2. HVE III shall be annexed into BVRMA. The properties within HVE III shall hereafter be subject to the BVRMA Declaration and By-laws which shall run with the land for the benefit of and be binding upon each present and subsequent owner of any right, title or interest in any portion of HVE III and their respective heirs, devisees, grantees, successors, representatives and assigns.

3. BVRMA hereby accepts and annexes HVE III as described herein.

4. Within HVE III, Hidden Valley Estates R.L.U.P. 01-S1901 and Hidden Valley Estates R.L.U.P. 02-S1948, BVRMA shall maintain, repair and replace both the Common Elements (as defined in the BVRMA Declaration) as well as the other rights of way and roads within HVE III, Hidden Valley Estates R.L.U.P. 01-S1901 and Hidden Valley Estates R.L.U.P. 02-S1948 (the "HVE HOA Roads").

5. BVRMA shall hereafter assess not only Common Expenses and reserves for the Common Elements (as described in the BVRMA Declaration), but also those expenses and reserves for the HVE HOA Roads in accordance with the BVRMA Declaration and the First BVRMA Amendment and any policies or procedures promulgated by the BVRMA Board of Directors.

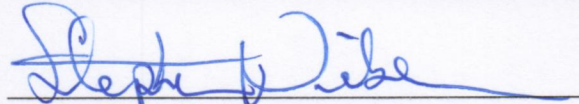
6. The amounts to be billed by BVRMA for the Common Expenses and reserves for the Common Elements shall be in accordance with paragraph III.1 of the BVRMA Declaration as amended by the First BVRMA Amendment.

7. The amounts to be billed by BVRMA for the HVE HOA Roads shall be in accordance with paragraph III.1 of the BVRMA Declaration as amended by the First BVRMA Amendment.

8. Funds collected pursuant to this Annexation Agreement and the BVRMA Declaration shall be held, maintained and used in accordance with the BVRMA Declaration.

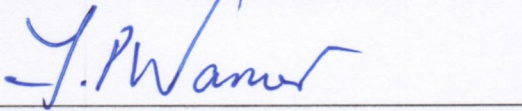
IN WITNESS WHEREOF, the undersigned being Officers of Backbone Valley Road Maintenance Association, Hidden Valley Homeowners' Association, La Folie Holdings, and Owners Michael and Cynthia Routh have executed this Annexation Agreement and each signatory herein represents and warrants he or she is duly authorized and has legal capacity to execute and deliver for filing this Annexation Agreement.

Backbone Valley Road Maintenance Association



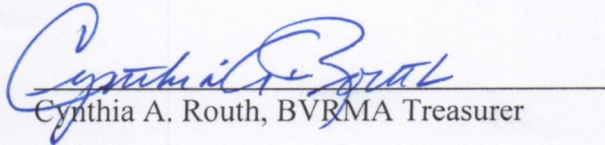
Stephen Nilsen, BVRMA President

Date: 10.22.2014



Frank Warner, BVRMA Vice-President

Date: 10/20/2014



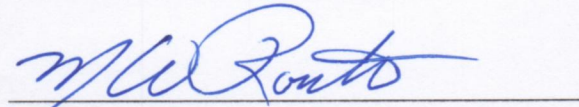
Cynthia A. Routh, BVRMA Treasurer

Date: 10/20/2014



Kay Lucas, BVRMA Secretary

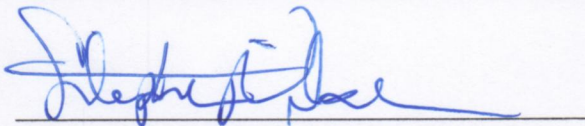
Date: 10/21/2014



Michael W. Routh, Board Member

Date: 10/20/2014

Hidden Valley Homeowners' Association



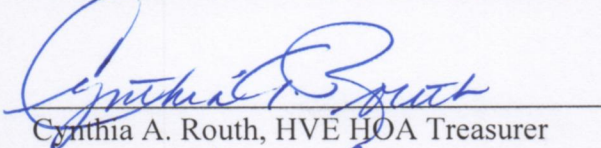
Stephen Nilsen, HVE HOA President

Date: 10.22.2014



Frank Warner, HVE HOA Vice-President

Date: 10/20/2014



Cynthia A. Routh, HVE HOA Treasurer

Date: 10/20/2014



Kay Lucas, HVE HOA Secretary

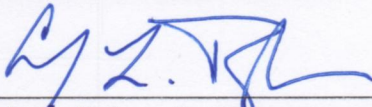
Date: 10/21/2014



Michael W. Routh, Board Member

Date: 10/20/2014

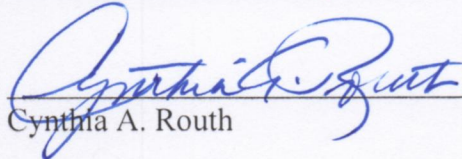
La Folie Holdings, LLC



Cody L. Balzer, President

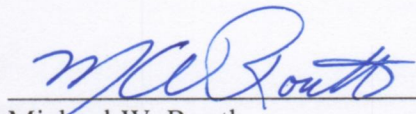
Date: 10/20/14

Michael & Cynthia Routh



Cynthia A. Routh

Date: 10/20/2014



Michael W. Routh

Date: 10/20/2014

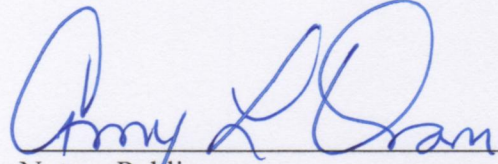
COUNTY OF LARIMER)

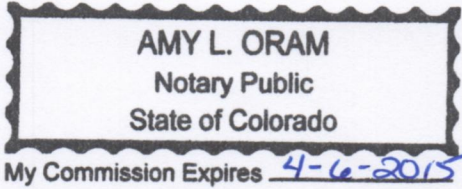
SS

The foregoing Agreement of Annexation was acknowledged and signed before me this 22nd day of October, 2014 by Stephen Nilsen.

Witness my hand and official seal.

My commission expires: 4-6-2015


Notary Public



STATE OF COLORADO)

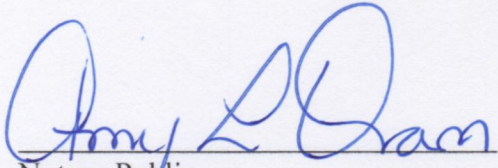
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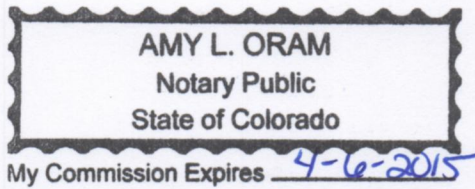
COUNTY OF LARIMER)

The foregoing Agreement of Annexation was acknowledged and signed before me this 20th day of October, 2014 by Frank Warner.

Witness my hand and official seal.

My commission expires: 4-6-2015


Notary Public



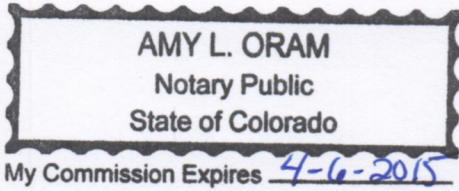
STATE OF COLORADO)
) SS
COUNTY OF LARIMER)

The foregoing Agreement of Annexation was acknowledged and signed before me this 20th day of October, 2014 by Cynthia A. Routh.

Witness my hand and official seal.

My commission expires: 4-6-2015

Amy L Oram
Notary Public



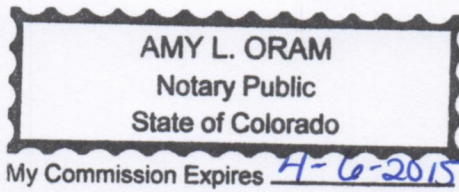
STATE OF COLORADO)
) SS
COUNTY OF LARIMER)

The foregoing Agreement of Annexation was acknowledged and signed before me this 21st day of October, 2014 by Kay Lucas.

Witness my hand and official seal.

My commission expires: 4-6-2015

Amy L Oram
Notary Public



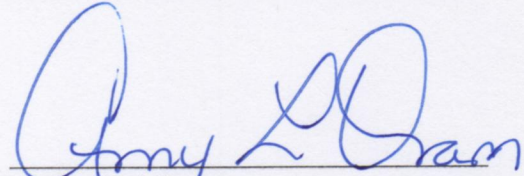
STATE OF COLORADO)
)
COUNTY OF LARIMER)

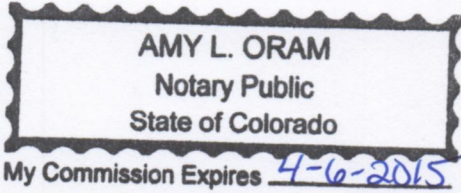
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The foregoing Agreement of Annexation was acknowledged and signed before me this 20th day of October, 2014 by Michael W. Routh.

Witness my hand and official seal.

My commission expires: 4-6-2015


Notary Public



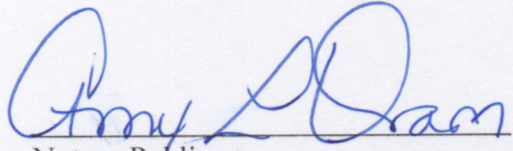
STATE OF COLORADO)
)
COUNTY OF LARIMER)

ss

The foregoing Agreement of Annexation was acknowledged and signed before me this 20th day of October, 2014 by Cody L. Balzer.

Witness my hand and official seal.

My commission expires: 4-6-2015


Notary Public

